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Review of the efficiency of the administrative and financial functioning of the United Nations

Proposed programme budget outline for the biennium 2010-2011

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report, in advance form, of the Secretary-General on the proposed programme budget outline for the biennium 2010-2011 (A/63/600). In the course of its deliberations, the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarification.

2. The Advisory Committee points out that, for several bienniums, the reports of the Secretary-General on the budget outline have been submitted by the Secretary-General and considered by the General Assembly at the very end of off-budget years. The Committee notes, in that connection, that the Secretary-General issued his instructions for the preparation of the proposed programme budget for the biennium 2010-2011 in early October 2008, setting 14 November 2008 as the deadline for budget submissions by departments and offices. **The Advisory Committee is of the view that, in order for the budget outline to be a practical tool in the budget preparation process, it should be submitted by the Secretary-General sufficiently early during off-budget years so that the Secretary-General can base instructions for the preparation of proposed programme budgets on budget outline parameters as approved by the Assembly.**

3. In his report, the Secretary-General indicated that, in establishing a preliminary estimate for the biennium 2010-2011, the approved level of appropriations and related commitments, namely, $4,207.6 million, had been taken as the starting point (see A/63/600, para. 2). On that basis, the Secretary-General had proposed a preliminary estimate of resources for the biennium 2010-2011, expressed in initial 2008-2009 prices, amounting to $4,617.9 million (see para. 2, table). As indicated in paragraph 20 of the report, the preliminary estimate, excluding requirements for special political missions, represented an increase of $20.1 million, or 0.5 per cent, compared with the approved appropriations and

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related provisions for the biennium 2008-2009. The preliminary estimate, including required provisions for special political missions, would represent an increase of $410.3 million, or 9.8 per cent, compared with existing provisions for the biennium 2008-2009. The Advisory Committee points out that, consistent with past practice, the level proposed for the contingency fund is not included in the figure of $4,617.9 million.

4. The Advisory Committee notes that an additional amount of $44.3 million is included in the budget outline for the full biennial provision in the biennium 2010-2011 for posts that are partially funded in the current biennium (see A/63/600, paras. 3 and 4). On the other hand, one-time costs of $31.4 million pertaining to the biennium 2008-2009 are not included in the budget outline for the biennium 2010-2011 (see A/63/600, para. 5).

5. The Advisory Committee notes that the estimated amount of $825.7 million for special political missions during the biennium 2010-2011 is included in the budget outline at the level that is equivalent to the revised provision proposed for the biennium 2008-2009. In his report, the Secretary-General indicated that, although the current composition of special political missions would change somewhat in 2010-2011, it was not anticipated that the overall level would trend downward (see A/63/600, para. 15).

6. The Secretary-General indicated in his report that special political missions clearly exhibited characteristics that set them apart from other activities of the Organization financed from the regular budget (see A/63/600, para. 16). He proposed, therefore, that the General Assembly might wish to consider whether special political missions were amenable to treatment under the current regular budget procedures for estimating requirements in the budget outline and subsequent programme budgets. The Advisory Committee draws attention, in that connection, to its comments and observations on special political missions contained in its related report (see A/63/593, paras. 12-14). **In view of the magnitude of the provision for special political missions and the variability in requirements for such missions, the Advisory Committee recommends that the Secretary-General, in presenting his overall estimates for the proposed budget outline, continue to present the estimates for special political missions in such a way as to readily identify those resources attributable to special political missions. This would enable the General Assembly to better assess the impact of the estimates for special political missions on the proposed budget outline. The Advisory Committee recommends that the Secretary-General use the same approach for the presentation of special political missions in the proposed programme budget.**

7. As indicated by the Secretary-General in his report, the outline requirements would be subject to recosting, prior to their approval by the General Assembly (see A/63/600, para. 18). The Advisory Committee was informed that the overall level of estimated requirements for 2010-2011 would also be affected by decisions on the first performance report, revised estimates and programme budget implications that are being considered by the Assembly.

8. The Secretary-General indicated that there were several initiatives of which the General Assembly was currently seized or of which reports were expected to be submitted by the Secretary-General (see A/63/600, para. 22). According to the Secretary-General, those items, when considered and if adopted, would have a significant bearing on the level of the proposed programme budget for the biennium

2010-2011. The proposed programme budget outline should have presented the fullest possible picture of the Organization's estimates of resources for the biennium 2010-2011. The Advisory Committee notes that the budget outline under consideration falls short of such requirements. Upon enquiry, the Committee was informed that if the budget outline were to include the estimates of all items currently before the General Assembly and foreseeable items in reports yet to be issued, the budget outline would be likely to increase to a preliminary estimate of $5,187.1 million (see annex below). The Committee points out that some of the requirements are not included in the updated preliminary estimates (see annex below).

9. The size of the contingency fund is discussed in paragraph 21 of the report. **The Advisory Committee recommends approval of the proposal of the Secretary-General that the level of the contingency fund for the biennium 2010-2011 remain at 0.75 per cent of the overall level of resources.**

10. **The Advisory Committee recommends that the General Assembly take into account the updated information contained in the annex to the present report when it considers the proposed programme budget outline for the biennium 2010-2011.**

Annex

Programme budget outline for 2010-2011

Proposed programme budget outline for the biennium 2010-2011[a]	*Thousands of United States dollars*	
As initially estimated in A/63/600		
Appropriations for 2008-2009	4 207 541.7	
Plus: Full provision for new posts approved in 2008-2009	44 335.4	
Less: One-time costs in 2008-2009	(31 410.9)	
Plus: Provision for new or expanded activities/events foreseen and/or mandated in 2008-2009	7 200.0	
Subtotal	**4 227 666.2**	
Additional provision required for special political missions at the current programme level	390 200.0	
Preliminary estimate for the biennium 2008-2009		**4 617 866.2**
First performance report (A/63/573)		
Additional appropriation		
(a) Unforeseen and extraordinary expenses	1 359.2	
(b) Decisions of policymaking organs	—	
(c) Exchange rates	63 015.0	
(d) Inflation assumptions	103 819.2	
(e) Other standards	12 600.2	
(f) Miscellaneous income	(1 359.2)	
First performance report		**179 434.4**
List of potential add-ons to the programme budget for 2008-2009		
Construction in Baghdad (commitment authority for 2009 in the amount of $5 million)	—	—
Preliminary estimate of construction requirements in 2010-2011	**98 600.0**	
Total construction, Baghdad		**98 600.0**
Information and communications technology		
Enterprise resource planning system	6 427.1	
Advisory Committee	*(838.3)*	
Delayed impact 2010-2011	6 187.1	
	11 775.9	11 775.9
Customer relationship management		1 510.9
Enterprise content management		4 203.6
One-time cost in 2008-2009 not required in 2010-2011		(5 714.5)
Total, enterprise resource planning/customer relationship management/ enterprise content management		**11 775.9**

Proposed programme budget outline for the biennium 2010-2011[a]	*Thousands of United States dollars*	
Revised estimates: disaster recovery and business continuity for the United Nations (A/62/477) (Valencia and Long Island City)	50 359.9	
Advisory Committee	*(45 329.5)*	
Delayed impact 2010-2011	1 188.6	
Total, disaster recovery and business continuity		**6 219.0**
Strategy and governance (realignment of resources between sections with net zero effect)		—
Strengthening of the Department of Political Affairs (A/62/521 and Corr.1)	22 206.4	
Advisory Committee, including reduction owing to the delayed consideration of the report by the General Assembly	*(13 422.0)*	
Delayed impact 2010-2011	7 575.4	
One-time cost in 2008-2009 not required in 2010-2011	(1 501.3)	
Total, Department of Political Affairs		**14 858.5**
Improving the effective and efficient delivery of the mandates of the development-related activities and the revised estimates relating to the programme budget for the biennium 2008-2009 (A/62/708)	25 571.0	
Advisory Committee	*(9 327.7)*	
Delayed impact 2010-2011	28 200.6	
One-time cost in 2008-2009 not required in 2010-2011	(1 280.0)	
Total, development pillar		**43 163.9**
Accountability framework, enterprise risk management and internal control framework, and results-based management framework (A/62/701 and Corr.1 and Add.1)	3 008.6	
Advisory Committee	*(3 008.6)*	
Total, accountability		—
Costs associated with capital master plan	38 191.2	
Amounts proposed to be funded from the surplus account of the general fund (suspension of the application of credits under regulation 3.2 (d), 5.3 and 5.4 of the Financial Regulations and Rules)	(38 191.2)	
Required in 2010-2011 (report not yet considered by Advisory Committee)	99 807.2	
Total, costs associated with capital master plan		**99 807.2**
Detailed proposals for streamlining United Nations contractual arrangements and harmonizing conditions of service (A/63/298)	4 718.3	
One-time cost in 2008-2009 not required in 2010-2011	(4 718.3)	
Requirements in 2010-2011	60 800.0	
Total, harmonization of conditions of service		**60 800.0**
Revised estimates, administration of justice	1 729.1	
Advisory Committee	*(135.0)*	
One-time cost in 2008-2009 not required in 2010-2011	(1 594.1)	

Proposed programme budget outline for the biennium 2010-2011[a]	*Thousands of United States dollars*	
Total, administration of justice		—
Revised estimates, Rule of Law Unit (A/63/154 and resolution 62/70)	1 049.6	
Advisory Committee	*(1 049.6)*	
Total, Rule of Law Unit		—
Towards an arms trade treaty: establishing common international standards for the import, export and transfer of conventional arms (A/C.5/63/10)	1 225.0	
Advisory Committee[b]		
One-time cost in 2008-2009 not required in 2010-2011	(1 225.0)	—
PBI: Global efforts for the total elimination of racism, racial discrimination, xenophobia and related intolerance and the comprehensive implementation of and follow-up to the Durban Declaration and Programme of Action (A/C.3/63/L.70 and A/C.5/63/17)	570.4	
Advisory Committee[b]		
One-time cost in 2008-2009 not required in 2010-2011	(570.4)	—
PBI: International Convention on the Elimination of All Forms of Racial Discrimination (A/C.3/63/L.53/Rev.1 and A/C.5/63/14)	379.9	
Advisory Committee[b]		
One-time cost in 2008-2009 not required in 2010-2011	(379.9)	—
PBI: Rights of the child (A/C.3/63/L.16/Rev.1, A/C.5/63/16)	2 194.3	
Advisory Committee[b]		
Delayed impact 2010-2011		
One-time cost in 2008-2009 not required in 2010-2011	(46.1)	
Total, Rights of the Child		**2 148.2**
Revised estimates: Committee on the Rights of the Child (A/C.3/63/L.46/Rev.1 and A/C.5/63/13)	513.1	
Advisory Committee[b]		
One-time cost in 2008-2009 not required in 2010-2011	(513.1)	
Total, Committee on the Rights of the Child		—
Resolutions and decisions adopted by the Human Rights Council following its continuing review of its subsidiary machinery and its related PBI — a consolidated statement	1 841.5	
Advisory Committee[b]		
One-time cost in 2008-2009 not required in 2010-2011	(477.6)	
Total, consolidated statement		**1 363.9**

Proposed programme budget outline for the biennium 2010-2011[a]	*Thousands of United States dollars*	
Revised estimates resulting from the entry into force of the Convention on the Rights of Persons with Disabilities and the Optional Protocol thereto		
Advisory Committee[b]	1 012.4	
Delayed impact 2010-2011		
One-time cost in 2008-2009 not required in 2010-2011	(1 012.4)	
Total, persons with disabilities		—
Security management		
Revised estimates: comprehensive report on strengthened unified security management system progress report	47 528.8	
Requirements as per Inter-agency Security Management Network report and Brahimi report, CEB/2008/HLCM/31, amounting to $29,678.8 million at full incumbency. The regular budget share represents 23.79 per cent of the total requirements for 2009 (or $18.5228 million at adjusted incumbency)		
Advisory Committee[b]	4 406.6	
One-time cost in 2008-2009 not required in 2010-2011	(18 391.7)	
Requirements in 2010-2011		**33 543.7**
Special political missions		
Reduction in provision for 2009 as per Advisory Committee recommendations		(39 505.4)
List of potential add-ons to the programme budget for 2010-2011		
Deliberations ongoing in Fifth Committee/not yet concluded by ACABQ or yet to be submitted		
After-service health insurance[b]		
Strengthened and unified security management (no report, only best estimate)	50 000.0	
Strategic heritage plan in Geneva	1 000.0	51 000.0
Revised estimates relating to the programme budget for the biennium 2008-2009 related to business continuity management (A/63/359 and Corr.1); requirements for 2010-2011	6 000.0	6 000.0
Total outline estimate taking into consideration possible add-ons		**5 187 075.5**
Contingency fund at 0.75 per cent		38 903.1

Abbreviation: PBI: programme budget implication.

[a] Formulated on information available or anticipated as at 16 December 2008.

[b] To be determined.